

CITY OF BREWER, MAINE

Annual Financial Report

For the Year Ended June 30, 2013

CITY OF BREWER, MAINE
Annual Financial Report
For the Year Ended June 30, 2013

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Independent Auditor's Report

City Council
City of Brewer, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinions. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows, thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

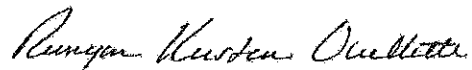
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brewer, Maine's financial statements as a whole. The combining and individual fund financial statements and schedule are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, on our consideration of the City of Brewer, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



December 17, 2013
South Portland, Maine

CITY OF BREWER, MAINE
Management's Discussion and Analysis
June 30, 2013

As management of the City of Brewer, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Brewer for the fiscal year ended June 30, 2013.

Financial Highlights

- ❖ The assets of the City of Brewer exceeded liabilities by \$43,225,745 (net position). Of this amount, \$1,171,230 was reported as unrestricted net position. Unrestricted net position represents the amount available to be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position decreased by \$2,986,444 from the prior year. Net position of Governmental Activities decreased by \$3,820,285 while Business-type Activities increased by \$833,841.
- ❖ At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,166,975, which was a decrease of \$540,600 from the prior fiscal year. This decrease was comprised of a \$1,061,867 decrease in the City's general fund, a \$572,949 increase in the City's major capital projects fund and \$51,682 decrease in the other governmental funds.
- ❖ The City's general fund reports an unassigned fund balance of \$3,463,467 and total fund balance of \$4,775,233, a decrease of \$1,061,867. The City's unassigned fund balance is currently at 9.9% of budget and 10.3% of general fund expenditures.
- ❖ The City of Brewer completed three bond issuances, incurring an additional \$1 million in long-term debt in the general fund and \$1,510,000 in the sewer fund. However, the City retired \$2,841,436 in old debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Brewer's basic financial statements. The City of Brewer's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Brewer's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Brewer's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Brewer is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Brewer that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Brewer include general government, public safety, municipal buildings, culture and recreation, welfare, public works, unclassified (employee benefits), education, interest on debt, assessments, capital outlay, and state retirement contributions. The business-type activities of the City of Brewer include a water department and a wastewater treatment operation.

The government-wide financial statements can be found on pages 13-14 of this report.

Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Brewer, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Brewer can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Brewer maintains 45 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the other capital projects major fund. Data from the other 43 non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in the report.

The City of Brewer adopts an annual appropriated budget for its general fund, as well as the capital improvement program, sewer fund and water fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on page 15 of this report.

Proprietary funds. The City of Brewer maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brewer uses enterprise funds to account for its Water Department and Sewer Department.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise funds.

The basic proprietary fund financial statements can be found on page 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Brewer's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-47 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 51-87 of this report.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Brewer, governmental activity assets exceeded liabilities by \$21,377,317. Business-type activity assets exceeded liabilities by \$21,848,428 for a City-wide total of net position of \$43,225,745 at the close of the most recent fiscal year. The Statement of Net Position can be found on page 13 of this report.

The largest portion of the City of Brewer's net position (88.25%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City of Brewer uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City of Brewer's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (9.04%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (2.71%, or \$1,171,230) may be used to meet the City's ongoing obligations to citizens and creditors.

Net Position

	Governmental Activities		Business-type Activities		Primary Government Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	11,392,593	12,999,836	(390,736)	(1,474,106)	11,001,857	11,525,730
Capital assets	33,962,580	37,708,997	46,591,001	46,665,391	80,553,581	84,374,388
Total assets	\$ 45,355,173	\$ 50,708,833	\$ 46,200,265	\$ 45,191,285	\$ 91,555,438	\$ 95,900,118
LIABILITIES						
Long-term debt outstanding	21,200,396	21,712,313	23,409,211	23,285,156	44,609,607	44,997,469
Other liabilities	2,777,460	3,911,605	942,626	891,542	3,720,086	4,803,147
Total liabilities	\$ 23,977,856	\$ 25,623,918	\$ 24,351,837	\$ 24,176,698	\$ 48,329,693	49,800,616
NET POSITION						
Net investment in capital assets	15,834,577	19,073,336	23,181,790	23,380,235	38,145,343	42,453,571
Restricted	3,428,538	3,339,776	480,634	449,325	3,909,172	3,789,101
Unrestricted (deficit)	2,114,202	2,671,803	(1,813,996)	(2,814,973)	1,171,230 *	(143,170)
Total net position	\$ 21,377,317	\$ 25,084,915	\$ 21,848,428	\$ 21,014,587	\$ 43,225,745	\$ 46,099,502

* In summary of significant accounting policies section there is an explanation as to why the above unrestricted net position does not equal to Statement of Net Position in the Basic Financial Statements section of this report.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

City of Brewer
Changes in Net Position

	Governmental Activities		Business-type Activities		Primary Government Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 6,266,202	\$ 4,741,974	4,792,667	4,766,205	11,058,869	9,508,179
Operating grants & cont.	15,077,493	18,795,259	-	-	15,077,493	18,795,259
Capital grants & cont.	-	1,470,720	1,147,425	1,999,811	1,147,425	3,470,531
General revenues:						
Property taxes	14,807,613	13,898,792	-	-	14,807,613	13,898,792
Excise taxes	1,513,229	1,450,403	-	-	1,513,229	1,450,403
Interest & cost on taxes	85,914	84,009	-	-	85,914	84,009
Franchise fees	111,965	114,284	-	-	111,965	114,284
State Revenue Sharing	921,654	965,668	-	-	921,654	965,668
Homestead exemption	191,599	182,282	-	-	191,599	182,282
Other govt. revenues	53,569	58,675	-	-	53,569	58,675
Unrestricted invstmt. earnings	11,999	23,010	-	-	11,999	23,010
Misc. revenues	57,280	50,737	-	-	57,280	50,737
Gain (loss) on disposal assets	(3,239,633)	(326,653)	-	19,642	(3,239,633)	(307,011)
Transfers	168,036	(2,011,042)	(168,036)	2,011,042	-	-
Total revenues	36,026,920	39,498,118	5,772,056	8,796,700	41,798,976	48,294,818
Expenditures:						
Current:						
Administration	1,851,558	2,218,947	-	-	1,851,558	2,218,947
Protection	4,637,871	4,530,581	-	-	4,637,871	4,530,581
Public Services	169,262	297,092	-	-	169,262	297,092
Public Works	3,044,545	3,022,270	-	-	3,044,545	3,022,270
Education	23,614,239	21,625,501	-	-	23,614,239	21,625,501
Unclassified	3,576,011	3,570,080	-	-	3,576,011	3,570,080
Assessments	1,096,333	870,461	-	-	1,096,333	870,461
Capital outlay	1,171,118	997,497	-	-	1,171,118	997,497
Interest on debt	686,268	818,202	-	-	686,268	818,202
Water	-	-	2,280,941	2,319,962	2,280,941	2,319,962
Sewer	-	-	2,657,274	2,569,582	2,657,274	2,569,582
Total expenditures	39,847,205	37,950,631	4,938,215	4,889,544	44,785,420	42,840,175
Change in net position	(3,820,285)	1,547,487	833,841	3,907,156	(2,986,444)	5,454,643
Net position, prior year	25,197,602	23,537,428	21,014,587	17,107,431	46,212,189	40,644,859
Net position, current year	\$ 21,377,317	\$ 25,084,915	21,848,428	21,014,587	43,225,745	46,099,502

Financial Analysis of the Government's Funds

As noted earlier, the City of Brewer uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Brewer's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

As of the end of the current fiscal year, the City of Brewer governmental funds reported combined ending fund balances at June 30, 2013 of \$8,166,975, a decrease of \$540,600 in comparison with the prior year. Just over 41% of this total amount (\$3,385,193) constitutes unassigned fund balance, which is available for spending at the government's discretion. The balances reflect the compliance with G.A.A.P. accounting rules for the accrued teacher summer salaries. The remainder of the fund balance (\$4,781,782) is not available for new spending because it has already been restricted to use only for 1) various capital and other governmental purposes (\$2,147,452) and education (\$197,207), 2) non-expendable principal in investments, prepaid amounts and inventory (\$567,778), or 3) committed or assigned to specific uses (\$1,067,596).

The General Fund is the central operating fund of the City of Brewer. At the end of the current fiscal year, the fund balance was \$4,775,233. After adjusting for nonspendable amounts (\$221,621), the amount that is restricted for use for education (\$42,423) and items assigned to specific use (\$1,047,722 of which \$400,000 is for the 2014 budget and \$524,814 for accrued compensated absences), there is a net unassigned balance of \$3,463,467 that can be used to meet the ongoing needs of the City. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.9% of the total general fund expenditures; total fund balance represents 13.7% of total general fund expenditures.

The fund balance of the City of Brewer's General Fund decreased \$1,061,867 during the current fiscal year. While revenues came in \$308,184 higher than budgeted and expenditures were \$1,476,279 lower than budgeted, these were more than offset by the City's \$2,726,571 budgeted use of fund balance and several other adjustments.

Proprietary funds. The City of Brewer's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the City's Water Fund increased \$434,135 to \$12,457,326. Operating income was \$179,496 while nonoperating revenues added another \$254,639. Net position of the City's Sewer Fund increased \$399,706 to \$9,391,102. The Sewer fund experienced an operating loss of \$325,044, which was offset by nonoperating income of \$724,750. Of the total net position, the amount classified as net investment in capital assets was \$10,613,835 and \$12,567,955 for the Water and Sewer Funds, respectively. Unrestricted net position was \$1,364,235 for the Water Fund and (\$3,178,231) for the Sewer Fund.

General Fund Budgetary Highlights

The City of Brewer had a \$547,393 difference between the original and amended FY 2013 budget. The changes are as follows:

City Departments	\$ 201,668
Abatements, Adjustments, Writeoffs	30,028
Overlay	(20,000)
Transit Operations	25,776
CIP	309,921
Total	\$ 547,393

These supplemental appropriations were authorized by the Brewer City Council and appropriated from unanticipated revenues of \$107,180, prior year carryforward balances of \$129,185, and unassigned fund balance of \$311,038. The City of Brewer has a strong purchasing policy to prevent unnecessary departmental over expenditures.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Capital Asset and Debt Administration

Capital Assets. The City of Brewer's capital assets for its governmental activities as of June 30, 2013 amounts to \$62,388,975, net of accumulated depreciation of \$28,426,395, leaving a net book value of \$33,962,580. This is a decrease of \$3,746,417, including \$1,034,362 in new additions, \$3,746,323 in asset retirements and removals and \$1,541,146 in depreciation expense. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, as well as infrastructure. The City of Brewer maintains a capital improvement fund for the purpose of replacing and acquiring new assets and reconstruction of infrastructure.

The City of Brewer's capital assets for its business-type activities as of June 30, 2013 amounts to \$68,383,636, net of accumulated depreciation of \$21,792,635, leaving a net book value of \$46,591,001. This is a decrease of \$74,390, including \$1,176,420 in new additions offset by \$1,250,810 in depreciation expense. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and water and sewer infrastructure.

Long-term Debt. At the end of the current fiscal year, the City of Brewer had total bonds outstanding of \$40,561,352. Of this amount, \$18,250,134 is for governmental activities and \$22,311,218 is for business-type activities. All debt is backed by the full faith and credit of the City.

The City of Brewer issued \$2,510,000 in new long-term debt during the current fiscal year for various capital improvements and retired \$2,841,436 in old debt.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation, with a further limit of no more than 7.5% of state assessed valuation in enterprise fund debt. The current debt limitation for the City of Brewer as a whole is \$107,400,000 and \$53,700,000 for its water and sewer funds, far exceeding the City's outstanding general obligation debt.

Requests for information

This financial report is designed to provide a general overview of the City of Brewer's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Brewer, Maine, 80 North Main Street, Brewer, ME 04412.

BASIC FINANCIAL STATEMENTS

CITY OF BREWER, MAINE
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,768,349	57,361	6,825,710
Investments	1,076,020	-	1,076,020
Receivables:			
Taxes	83,296	-	83,296
Tax and sewer liens	541,979	47,663	589,642
Other receivables	1,006,109	784,630	1,790,739
Due from other governments	16,172	-	16,172
Prepaid expenses	221,621	-	221,621
Inventory	21,604	43,138	64,742
Bond issuance costs	60,412	273,503	333,915
Internal balances	1,597,031	(1,597,031)	-
Capital assets, not being depreciated	2,678,965	3,379,976	6,058,941
Capital assets, net	31,283,615	43,211,025	74,494,640
Total assets	45,355,173	46,200,265	91,555,438
LIABILITIES			
Accounts payable	796,702	60,114	856,816
Accrued payroll and related liabilities	1,675,983	141,553	1,817,536
Accrued interest payable	134,647	218,070	352,717
Taxes collected in advance	70,251	-	70,251
Unearned revenue	99,877	522,889	622,766
Noncurrent liabilities:			
Due within one year	1,573,975	1,133,495	2,707,470
Due in more than one year	19,626,421	22,275,716	41,902,137
Total liabilities	23,977,856	24,351,837	48,329,693
NET POSITION			
Net investment in capital assets	15,834,577	23,181,790	38,145,343
Restricted:		480,634	480,634
Special revenues	944,925	-	944,925
Capital projects	2,147,452	-	2,147,452
Permanent funds:			
Nonexpendable	324,553	-	324,553
Expendable	11,608	-	11,608
Unrestricted	2,114,202	(1,813,996)	1,171,230
Total net position	\$ 21,377,317	21,848,428	43,225,745

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Activities
For the year ended June 30, 2013

For the year ended June 30, 2019							
		Program Revenues			Net (expense) revenue and changes in net position		
					Primary Government		
Functions/programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Primary government:							
Governmental activities:							
Administration	\$ 1,851,558	61,376	-	-	(1,790,182)	-	(1,790,182)
Protection	4,637,871	379,906	18,581	-	(4,239,384)	-	(4,239,384)
Public services	169,262	-	59,665	-	(109,597)	-	(109,597)
Public works	3,044,545	332,569	359,223	-	(2,352,753)	-	(2,352,753)
Unclassified	3,576,011	438,464	992,718	-	(2,144,829)	-	(2,144,829)
Education	22,148,450	5,024,852	12,181,517	-	(4,942,081)	-	(4,942,081)
State retirement contribution (Education)	1,465,789	-	1,465,789	-	-	-	-
Interest on debt	686,268	29,035	-	-	(657,233)	-	(657,233)
Assessments	1,096,333	-	-	-	(1,096,333)	-	(1,096,333)
Capital outlay	1,171,118	-	-	-	(1,171,118)	-	(1,171,118)
Total governmental activities	39,847,205	6,266,202	15,077,493	-	(18,503,510)	-	(18,503,510)
Business-type activities:							
Water	2,280,941	2,460,437	-	353,159	-	532,655	532,655
Sewer	2,657,274	2,332,230	-	794,266	-	469,222	469,222
Total business-type activities	4,938,215	4,792,667	-	1,147,425	-	1,001,877	1,001,877
Total primary government	\$ 44,785,420	11,058,869	15,077,493	1,147,425	(18,503,510)	1,001,877	(17,501,633)
General revenues:							
Property taxes					\$ 14,807,613	-	14,807,613
Excise taxes					1,513,229	-	1,513,229
Interest and costs on taxes					85,914	-	85,914
Franchise fees					111,965	-	111,965
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					921,654	-	921,654
Homestead exemption					191,599	-	191,599
Other intergovernmental revenues					53,569	-	53,569
Unrestricted investment earnings					11,999	-	11,999
Miscellaneous revenues					57,280	-	57,280
Loss on disposal of assets					(3,239,633)	-	(3,239,633)
Transfers					168,036	(168,036)	-
Total general revenues					14,683,225	(168,036)	14,515,189
Change in net position					(3,820,285)	833,841	(2,986,444)
Net position - beginning					25,197,602	21,014,587	46,212,189
Net position - ending					\$ 21,377,317	21,848,428	43,225,745

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Balance Sheet
Governmental Funds
June 30, 2013

	General	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,757,076	706,862	304,411	6,768,349
Investments	729,562	-	346,458	1,076,020
Receivables:				
Taxes	83,296	-	-	83,296
Tax liens	541,979	-	-	541,979
Other receivables	863,895	-	142,214	1,006,109
Due from other governments	-	-	16,172	16,172
Prepaid expenditures	221,621	-	-	221,621
Interfund loans receivable	-	1,292,669	1,059,280	2,351,949
Inventory	-	-	21,604	21,604
Total assets	\$ 8,197,429	1,999,531	1,890,139	12,087,099
LIABILITIES				
Accounts payable	488,252	19,552	283,794	791,598
Accrued payroll and related liabilities	1,670,983	5,000	-	1,675,983
Taxes collected in advance	70,251	-	-	70,251
Unearned revenue	94,589	-	5,288	99,877
Interfund loans payable	575,728	-	184,294	760,022
Total liabilities	2,899,803	24,552	473,376	3,397,731
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	522,393	-	-	522,393
Total deferred inflows of resources	522,393	-	-	522,393
FUND BALANCES				
Nonspendable	221,621	-	346,157	567,778
Restricted	42,423	1,974,979	1,129,006	3,146,408
Committed	-	-	19,874	19,874
Assigned	1,047,722	-	-	1,047,722
Unassigned	3,463,467	-	(78,274)	3,385,193
Total fund balances	4,775,233	1,974,979	1,416,763	8,166,975
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,197,429	1,999,531	1,890,139	

Amounts reported for governmental activities in the statement of net position are different because:

Bond issuance costs amortized in governmental activities, are not reported in the funds.	60,412
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	33,962,580
Other long-term assets are not available to pay for current period expenditures and therefore, are unavailable in the funds.	522,393
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
General obligation bonds	(18,250,134)
Premium on bonds	(659,887)
Capital leases	(89,006)
Compensated absences	(1,917,766)
Other postemployment benefits liability	(283,603)
Accrued interest payable	(134,647)

Net position of governmental activities **\$ 21,377,317**

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2013

	General	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 16,361,331	-	-	16,361,331
Licenses and permits	360,450	-	-	360,450
Intergovernmental	12,070,127	-	1,442,629	13,512,756
Local sources	4,999,529	1,433,219	296,654	6,729,402
Unclassified	-	-	602,204	602,204
Interest earned	11,999	-	3,161	15,160
Total revenues	33,803,436	1,433,219	2,344,648	37,581,303
Expenditures:				
Current:				
Administration	1,738,949	-	-	1,738,949
Protection	4,335,989	-	-	4,335,989
Public services	166,141	-	-	166,141
Public works	2,117,653	-	-	2,117,653
Unclassified	2,705,159	-	715,157	3,420,316
Education	19,167,867	-	1,413,618	20,581,485
Debt service				
Principal	1,501,735	-	-	1,501,735
Interest	624,348	-	-	624,348
Assessments	1,096,333	-	-	1,096,333
State retirement contribution	1,465,789	-	-	1,465,789
Capital outlay	-	2,019,370	227,831	2,247,201
Total expenditures	34,919,963	2,019,370	2,356,606	39,295,939
Deficiency of revenues under expenditures	(1,116,527)	(586,151)	(11,958)	(1,714,636)
Other financing sources (uses):				
Issuance of debt	-	1,000,000	-	1,000,000
Reserves and carryforwards	6,000	-	-	6,000
Transfers from other funds	361,340	309,921	2,759	674,020
Transfers to other funds	(312,680)	(150,821)	(42,483)	(505,984)
Total other financing sources (uses)	54,660	1,159,100	(39,724)	1,174,036
Net change in fund balances	(1,061,867)	572,949	(51,682)	(540,600)
Fund balances, beginning of year	5,837,100	1,402,030	1,468,445	8,707,575
Fund balances, end of year	\$ 4,775,233	1,974,979	1,416,763	8,166,975

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2013

Net change in fund balances - total governmental funds (from Statement 4)	\$	(540,600)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,541,146) and loss on disposal (\$3,239,633) exceeded capital outlays (\$1,034,362). (3,746,417)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue - property taxes. 45,425

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the increase in accrued interest (\$64,135), plus the increase in accrued compensated absences (\$7,277) and other post-employment benefits (\$52,952). (124,364)

The City is amortizing the issuance costs and the issuance premium over the life of the new bond. This is the amount by which the issuance premium amortization (\$28,691) exceeded the amortization of issuance costs (\$26,475) for the current period. 2,216

Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which bond repayments (\$1,501,734) and lease repayments (\$41,721) exceeded bond proceeds (\$1,000,000). 543,455

Change in net position of governmental activities (see Statement 2)	\$	(3,820,285)
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See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Budgetary Basis)
For the year ended June 30, 2013

	General Fund			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 16,102,149	16,102,149	16,361,331	259,182
Licenses and permits	391,038	391,153	360,450	(30,703)
Intergovernmental	10,716,097	10,716,097	10,604,338	(111,759)
Local sources	4,677,103	4,800,064	4,999,529	199,465
Interest earned	20,000	20,000	11,999	(8,001)
Total revenues	31,906,387	32,029,463	32,337,647	308,184
Expenditures:				
Current:				
Administration	1,759,744	1,909,733	1,738,949	170,784
Protection	4,433,345	4,467,289	4,335,989	131,300
Public services	309,211	335,074	166,141	168,933
Public works	2,194,452	2,203,850	2,117,653	86,197
Unclassified	2,768,852	2,757,103	2,705,159	51,944
Education	19,989,478	19,989,478	19,180,056	809,422
Debt service:				
Principal	1,477,883	1,477,883	1,501,735	(23,852)
Interest	705,360	705,360	624,348	81,012
Assessments	848,490	1,096,872	1,096,333	539
Total expenditures	34,486,815	34,942,642	33,466,363	1,476,279
Deficiency of revenues under expenditures	(2,580,428)	(2,913,179)	(1,128,716)	1,784,463
Other financing sources (uses):				
Use of fund balance	2,219,085	2,726,571	-	(2,726,571)
Reserves and carryforwards	-	58,286	6,000	(52,286)
Transfers from other funds	361,343	438,243	361,340	(76,903)
Transfers to other funds	-	(309,921)	(312,680)	(2,759)
Total other financing sources	2,580,428	2,913,179	54,660	(2,858,519)
Net change in fund balances - budgetary basis	-	-	(1,074,056)	(1,074,056)
Reconciliation to GAAP:				
Change in accrued summer salaries			12,189	
Total reconciling items to GAAP			12,189	
Net change in fund balances - GAAP basis			(1,061,867)	
Fund balances, beginning of year			5,837,100	
Fund balances, end of year	\$		4,775,233	

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2013

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 57,311	50	57,361
Accounts receivable	250	71,071	71,321
User fees receivable	127,170	586,139	713,309
Liens receivable	-	47,663	47,663
Interfund loans receivable	1,984,272	-	1,984,272
Inventory	43,138	-	43,138
Total current assets	2,212,141	704,923	2,917,064
Noncurrent assets:			
Capital assets not being depreciated:			
Land	3,020,775	53,900	3,074,675
Construction in progress	47,732	257,569	305,301
Total capital assets not being depreciated	3,068,507	311,469	3,379,976
Capital assets being depreciated:			
Capital assets	29,599,750	35,403,910	65,003,660
Accumulated depreciation	(8,532,094)	(13,260,541)	(21,792,635)
Total capital assets being depreciated	21,067,656	22,143,369	43,211,025
Bond issuance costs	242,049	31,454	273,503
Total assets	26,590,353	23,191,215	49,781,568
LIABILITIES			
Current liabilities:			
Accounts payable	21,887	38,227	60,114
Accrued payroll and related benefits	79,212	62,341	141,553
Accrued interest payable	119,429	98,641	218,070
Unearned revenue	390,171	132,718	522,889
Interfund loans payable	-	3,581,303	3,581,303
Current portion of bonds payable	510,824	622,671	1,133,495
Total current liabilities	1,121,523	4,535,901	5,657,424
Long-term liabilities:			
Bonds payable	13,011,504	9,264,212	22,275,716
Total long-term liabilities	13,011,504	9,264,212	22,275,716
Total liabilities	14,133,027	13,800,113	27,933,140
NET POSITION			
Net investment in capital assets	10,613,835	12,567,955	23,181,790
Restricted	479,256	1,378	480,634
Unrestricted	1,364,235	(3,178,231)	(1,813,996)
Total net position	\$ 12,457,326	9,391,102	21,848,428

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2013

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
Operating revenues:			
Charges for services	\$ 2,392,058	2,068,786	4,460,844
Other	68,379	263,444	331,823
Total operating revenues	2,460,437	2,332,230	4,792,667
Operating expenses:			
Operation - salaries and benefits	479,079	553,018	1,032,097
Operation - other	263,032	814,702	1,077,734
Administrative expenses - salaries and benefits	170,111	147,481	317,592
Administrative expenses - other	319,083	116,082	435,165
Interest on debt service	501,959	298,172	800,131
Depreciation and amortization	547,677	727,819	1,275,496
Total operating expenses	2,280,941	2,657,274	4,938,215
Operating income (loss)	179,496	(325,044)	(145,548)
Nonoperating revenues:			
Capital grants and contributions	353,159	794,266	1,147,425
Transfers to General Fund - administration	(98,520)	(69,516)	(168,036)
Total nonoperating revenues	254,639	724,750	979,389
Change in net position	434,135	399,706	833,841
Net position, beginning of year	12,023,191	8,991,396	21,014,587
Net position, end of year	\$ 12,457,326	9,391,102	21,848,428

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2013

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,454,356	2,391,257	4,845,613
Payments to suppliers	(993,881)	(1,285,665)	(2,279,546)
Payments to employees	(641,428)	(700,499)	(1,341,927)
Interfund activity	(344,806)	(946,129)	(1,290,935)
Transfers to General Fund - administration	(98,520)	(69,516)	(168,036)
Net cash provided (used) by operating activities	375,721	(610,552)	(234,831)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(273,075)	(908,594)	(1,181,669)
Capital grants and contributions	353,159	794,266	1,147,425
Bond and capital lease proceeds	-	1,510,000	1,510,000
Principal payments on bonds and leases	(600,825)	(785,120)	(1,385,945)
Net cash provided (used) in capital and related financing activities	(520,741)	610,552	89,811
Net decrease in cash	(145,020)	-	(145,020)
Cash, beginning of year	202,331	50	202,381
Cash, end of year	\$ 57,311	50	57,361
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 179,496	(325,044)	(145,548)
Transfers to General Fund - administration	(98,520)	(69,516)	(168,036)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	547,677	727,819	1,275,496
(Increase) decrease in receivables	(4,927)	45,687	40,760
Decrease in inventory	4,182	-	4,182
Decrease in accounts payable	(9,631)	(108,892)	(118,523)
Increase in accrued interest	95,642	52,183	147,825
Increase in accrued wages and benefits	7,762	-	7,762
Increase (decrease) in unearned revenue	(1,154)	13,340	12,186
Decrease in interfund balances	(344,806)	(946,129)	(1,290,935)
Net cash provided (used) by operating activities	375,721	(610,552)	(234,831)

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Agency Funds	Private- purpose Trust Funds
	Student Activity Funds	
ASSETS		
Cash and cash equivalents	\$ 242,306	12,075
Assets held by fiscal agent	-	609,031
Interfund loans receivable	-	5,104
Total assets	242,306	626,210
LIABILITIES		
Accounts payable	-	336
Due to student groups	242,306	-
Total liabilities	242,306	336
NET POSITION		
Held in trust	\$ -	625,874

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2013

	Private- purpose Trust Funds
Additions:	
Investment income	\$ 70,422
Donations and other	47,614
Total additions	118,036
Deductions:	
Scholarships	45,729
Other	16,192
Total deductions	61,921
Change in net position	56,115
Net position, beginning of year	569,759
Net position, end of year	\$ 625,874

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Brewer have been prepared in conformity with U.S. generally accepted accounting standards (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City of Brewer operates under an elected City Council and City Manager form of government. The City's School Department operates under an elected School Board. The City's major operations include water, sewer, public works, protection, public services, education, and general administrative services.

The accompanying financial statements present the government and its component unit, for which the City is considered financially accountable. A blended component unit is, in substance part of the City's operations, even though it is legally a separate entity. Thus, blended component units are presented as funds of the City.

Blended Component Units: Brewer Redevelopment LLC, a local development corporation, was organized by the City for the express purpose of ownership, management, and development of the City's defunct school buildings and associated land. The City is the sole member of Brewer Redevelopment LLC, which is managed and staffed by City employees. The financial statements of Brewer Redevelopment, LLC for the year ended June 30, 2013, have been incorporated into the City's Special Revenue Funds. Brewer Redevelopment, LLC has not been included in the City's financial statements in the past, as its fiscal activities have not been material to the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Other Capital Projects Fund** accounts for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The City reports the following major proprietary funds:

Water Fund accounts for the operation of the water system in Brewer.

Sewer Fund accounts for the operation of a sewer system in Brewer.

Additionally, the City reports the following fund type:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's fiduciary funds include the following fund types:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. The funds are used to account for assets that the City holds for others in an agency capacity.

Private-purpose Trust Funds are used to account for resources legally held in trust for school department scholarships.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewer Funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund is charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, amounts in demand deposits, savings accounts and certificates of deposit. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds money market mutual funds and repurchase agreements.

Investments are stated at fair value. For the purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund loans on the balance sheet.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues from the Water and Sewer Funds are recognized at the end of each fiscal year on a pro rata basis. This amount is based on billings during the months following the close of the fiscal year.

G. Inventory

School Lunch and the Water Fund supply inventories are valued at the lower of cost or market using the first-in, first-out method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material to the financial statements, is included as part of the capitalized value of the assets constructed. Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Buildings	15-100 years
Infrastructure	50 years
Equipment	5-30 years

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. Long-term accumulated vacation and sick leave is reported only in the Entity-wide Statement of Net Position and in the proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

L. Fund Equity

Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the City imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, the City Council or a body or official delegated by the City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the City's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used in governmental and business-type funds. All encumbrances, if any, are assigned at year end.

N. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

O. Comparative Data/Reclassifications

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2013:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Government</u>
Capital assets	\$ 62,388,975	68,383,636	130,772,611
Accumulated depreciation	(28,426,395)	(21,792,635)	(50,219,030)
Bonds payable (capital related)	(17,379,110)	(22,311,218)	(40,561,352) ¹
Bond premiums	(659,887)	(1,097,993)	(1,757,880)
Capital leases payable	(89,006)	-	(89,006)
Net investment in capital assets	\$ 15,834,577	23,181,790	38,145,343

¹ This amount does not cross-foot due to the \$871,024 of bond principal remaining on the \$1,000,000 of bonds used by the Government Activities to purchase capital assets which were contributed to the business-type activities. This \$871,024 is not considered capital related in the governmental activities column, but is considered capital related in the primary government column.

Q. New Pronouncements

For the fiscal year ended June 30, 2013, the City has elected to implement the following Statements of the Governmental Accounting Standards Board:

- Statement No. 62 - *Codification of Accounting and Financial Reporting Guidelines in Pre-November 30, 1989 FASB And AICPA Pronouncements.*
- Statement No. 63 -*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.*

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund, Capital Improvement Program, Sewer Fund, and Water Fund and are adopted on a basis consistent with accounting principles generally accepted in the United States of America except, in the case of the General Fund, for teachers' salaries which are budgeted on a cash basis. Additionally, Maine Public Employees Retirement System on-behalf payments are not budgeted. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be committed or assigned for subsequent year expenditure and some non-lapsing accounts which are carried forward to the next fiscal year.

B. Revised Budget

The revised budget presented for the General Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Statement 6), includes various adjustments as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources</u>
2013 budget as originally adopted	\$ 34,486,815	(34,486,815)	-
Reclassify use of fund balance - City and School	(2,726,571)	-	2,726,571
Reclassify transfers from other funds	(438,243)	-	438,243
Reclassify transfers to other funds	309,921	-	(309,921)
Use of prior year reserves and carryforwards	(58,286)	-	58,286
Subsequent authorizations	455,827	(455,827)	-
Totals	\$32,029,463	(34,942,642)	2,913,179

C. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2013:

MMA Grant Fund	\$ 1,200
City Small Grants and Programs	6,188
Flags in Brewer	1,540
Grants Fund	7,158
FHWA Route 15 Earmark	3,692
City Hall Rehab	21,668

These deficits are expected to be funded by future revenues or transfers from the General Fund.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

D. Budgetary vs. GAAP Basis of Accounting

Through June 30, 2013, the City did not budget for expenditures related to teachers' summer pay on an accrual basis. The following is a reconciliation of fund balance for the General Fund – School Department on the basis of accounting principles generally accepted in the United States of America and on the budgetary basis.

Fund balance - School Department - June 30, 2013 - GAAP basis	\$ 42,423
Accrued teacher summer salaries	1,533,171
<hr/>	
Fund balance - School Department, June 30, 2013 - budgetary basis	\$ 1,575,594

As required by generally accepted accounting principles (GAAP), the City has recorded a revenue and expenditure for Maine Public Employees Retirement System (MainePERS) contributions made by the State of Maine on behalf of the Brewer School Department. These amounts have not been budgeted and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$1,465,789. These amounts have been included as intergovernmental revenues and education expenditures in the General Fund on Statement 4 (GAAP basis) and on the Statement of Activities (Statement 2). There is no effect on the fund balance at the end of the year.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-City Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that funds can only be invested in financial institutions that are insured by the FDIC. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution at 110% of the face value of the deposit or preferably be fully insured by an independent agent. Any designated collateral shall consist of U.S. Treasury or U.S. Government Agency obligations. As of June 30, 2013, the City reported deposits of \$7,080,091 with a bank balance of \$7,291,375. Of the City's bank balances, \$6,298,104 was not covered by the F.D.I.C. but was collateralized by securities held in the City's name.

Deposits have been reported as follows:

Reported in governmental funds	\$ 6,768,349
Reported in business-type activities	57,361
Reported in fiduciary funds	254,381
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Total deposits	\$ 7,080,091

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2013, the City had the following investments and maturities:

	<u>Fair value</u>	<u>N/A</u>	<u>Less than 1 year</u>	<u>1-5 years</u>
Money Mkt. / Treasuries / Agency	\$ 1,685,051	609,031	28,779	1,047,241
Total investments	\$ 1,685,051	609,031	28,779	1,047,241

Investments have been reported as follows:

Reported in governmental funds	\$ 1,076,020
Reported in fiduciary funds	609,031
Total investments	\$ 1,685,051

Interest Rate Risk: The City has a policy that the maturity date of investments shall not fall beyond the time the City anticipates it will need the funds.

Credit Risk: Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City's policy is only to invest in legally authorized investments under 30A MRSA section 5706.

Custodial Credit Risk - investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy is that funds can only be invested in financial institutions that are insured by the FDIC. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution at 110% of the face value of the deposit or preferably be fully insured by an independent agent. Any designated collateral shall consist of U.S. Treasury or U.S. Government Agency obligations.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

PROPERTY TAX

Property taxes for the current year were committed on July 25, 2012 on the assessed value listed as of the previous April 1 for all real and personal property located in the City. All real and personal property taxes were due in two installments, 50% on September 11, 2012, and 50% on March 12, 2013. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the City's Assessor at 100% of estimated market value. The assessed value of \$779,637,300 was 100% of the estimated market value and 108.9% of the 2013 state valuation of \$716,000,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$49,803 for the year ended June 30, 2013.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made.

The following summarizes the 2013 and 2012 levy:

	<u>2013</u>	<u>2012</u>
Total assessed valuation	\$ 779,637,300	773,256,900
Tax rate (per \$1,000)	18.99	17.95
Commitment	14,805,324	13,879,973
Supplemental taxes assessed	2,300	-
	14,807,624	13,879,973
Less - collections and abatements	(14,454,103)	(13,551,911)
Receivable at end of year	\$ 353,521	328,062
Consisting of:		
Real estate liens	334,364	299,447
Real estate and personal property taxes	19,157	28,615
Receivable at end of year	\$ 353,521	328,062
Collection rate	97.61%	97.64%

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 2,305,302	15,390	(295,600)	2,025,092
Artwork and historical treasures	30,800	78,500	-	109,300
Construction in progress	748,825	-	(204,252)	544,573
Total capital assets, not being depreciated	3,084,927	93,890	(499,852)	2,678,965
Capital assets, being depreciated				
Land improvements	4,537,930	174,799	(30,500)	4,682,229
Buildings and building improvements	14,004,866	340,132	(3,166,300)	11,178,698
Machinery and equipment	4,313,943	340,629	(202,261)	4,452,311
Vehicles	3,060,768	27,880	(51,662)	3,036,986
Infrastructure	36,098,502	261,284	-	36,359,786
Total capital assets, being depreciated	62,016,009	1,144,724	(3,450,723)	59,710,010
Less accumulated depreciation for:				
Land improvements	(546,286)	(84,858)	3,050	(628,094)
Buildings and building improvements	(3,639,673)	(224,792)	331,548	(3,532,917)
Machinery and equipment	(2,273,992)	(315,855)	126,117	(2,463,730)
Vehicles	(1,852,849)	(193,594)	45,975	(2,000,468)
Infrastructure	(19,079,139)	(722,047)	-	(19,801,186)
Total accumulated depreciation	(27,391,939)	(1,541,146)	506,690	(28,426,395)
Total capital assets, being depreciated, net	34,624,070	(396,422)	(2,944,033)	31,283,615
Governmental activities capital assets, net	\$ 37,708,997	(302,532)	(3,443,885)	33,962,580

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Administration	\$ 70,590
Protection	290,971
Public works, including depreciation of general infrastructure assets	919,930
Unclassified	155,695
Education	103,960
Total depreciation expense - governmental activities	\$ 1,541,146

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

CAPITAL ASSETS, CONTINUED

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 3,074,675	-	-	3,074,675
Construction in progress	4,769,384	273,306	(4,737,389)	305,301
Total capital assets, not being depreciated	7,844,059	273,306	(4,737,389)	3,379,976
Capital assets, being depreciated				
Water	29,377,078	222,672	-	29,599,750
Sewer	30,011,285	5,417,831	(25,206)	35,403,910
Total capital assets, being depreciated	59,388,363	5,640,503	(25,206)	65,003,660
Less accumulated depreciation for:				
Water	(8,007,764)	(524,330)	-	(8,532,094)
Sewer	(12,559,267)	(726,480)	25,206	(13,260,541)
Total accumulated depreciation	(20,567,031)	(1,250,810)	25,206	(21,792,635)
Total capital assets, being depreciated, net	38,821,332	4,389,693	-	43,211,025
Business-type activities capital assets, net	\$ 46,665,391	4,662,999	(4,737,389)	46,591,001

Depreciation expense was charged to business-type funds as follows:

Business-type activities:	
Water fund	\$ 524,330
Sewer fund	726,480
Total depreciation expense - business-type activities	\$ 1,250,810

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

INTERFUND LOAN BALANCES/TRANSFERS

During the course of normal operations, the City has numerous transactions between funds. The Water and Sewer funds regularly transfer amounts to the General Fund for administrative costs. Also in the current year, the Water and Sewer funds received transfers from the Brewer Business and Commercial Park fund for capital contributions. Individual interfund receivable and payable balances and interfund transfers at June 30, 2013 arising from these transactions were as follows:

	Interfund Loans <u>Receivable</u>	Interfund Loans <u>Payable</u>	<u>Transfers</u>
Major funds:			
General fund	\$ -	575,728	48,660
Other Capital Projects	1,292,669	-	159,100
Other nonmajor governmental funds:			
Brewer Centennial	-	1,385	-
Police Asset Forfeiture	138,239	-	-
CDBG Housing Rehab Grant	7,377	-	-
Recreation Banner Fund	19,611	-	-
Performance Bonds Payable	18,402	-	-
Technical Review Payable	104,985	-	-
Fire Equipment Reserve	1,860	-	-
Winterfest	2,000	-	-
PERC Contract Reserve	108,000	-	-
Day Rd. Cemetery Grant	1,460	-	-
MMA Grant Fund	-	1,200	-
EPA Brownfield Rev Loan	219,625	-	-
Brewer Days	8,276	-	-
Children's Garden Fund	7,822	-	-
City Small Grants & Programs	-	6,188	-
Chamberlain Golf Classic	2,959	-	759
Computer Reserve	2,000	-	-
Stream Cleanup	421	-	-
Flags in Brewer	-	1,540	-
Recognition Coins	224	-	-
Fire Museum	1,445	-	-
Brewer Business & Commercial Park	121,168	-	-
Brewer Resources Program	2,000	-	2,000
Insurance Deductible Reserve	17,650	-	-
Food Service Fund	101,283	-	-
Grants Fund (School Dept.)	-	43,946	-
FHWA Route 15 Earmark	-	3,692	-
City Hall Rehab	-	21,668	-
Impact Fee Fund	172,473	-	(42,483)
Cemetery Trust	-	104,675	-
Total other nonmajor governmental funds	1,059,280	184,294	(39,724)

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

INTERFUND LOAN BALANCES/TRANSFERS, CONTINUED

	Interfund Loans Receivable	Interfund Loans Payable	Transfers
Proprietary Funds:			
Water Fund	\$ 1,984,272	-	(98,520)
Sewer Fund	-	3,581,303	(69,516)
Total proprietary funds	1,984,272	3,581,303	(168,036)
Fiduciary Funds:			
Cianbro Home Heating	521	-	-
Veteran's Memorial Fund	2,583	-	-
Robertson Memorial Fund	2,000	-	-
Total fiduciary funds	5,104	-	-
Grand Total	\$ 4,341,325	4,341,325	-

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 18,751,868	1,000,000	(1,501,734)	18,250,134	1,501,735
Premium on bonds	688,578	-	(28,691)	659,887	28,691
Capital leases	130,727	-	(41,721)	89,006	43,549
Compensated absences	1,910,489	7,277	-	1,917,766	-
OPEB liability	230,651	82,439	(29,487)	283,603	-
Government activities long-term liabilities	21,712,313	1,089,716	(1,601,633)	21,200,396	1,573,975
Business-type activities:					
Bonds payable	22,140,920	1,510,000	(1,339,702)	22,311,218	1,087,252
Premium on bonds	1,144,236	-	(46,243)	1,097,993	46,243
Business-type activities long-term liabilities	23,285,156	1,510,000	(1,385,945)	23,409,211	1,133,495
Governmental and Business-type activities long-term liabilities	\$ 44,997,469	2,599,716	(2,987,578)	44,609,607	2,707,470

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

LONG-TERM DEBT

Long-term debt at June 30, 2013 is comprised of the following individual issues:

Bond issue	Year of issue	Amount issued	Maturity date	Interest rate	Governmental activities	Business- type activities	Balance June 30, 2013
Series B MMBB - City/Sewer	1997	\$ 4,000,000	11/01/17	3.16%	\$ 105,975	894,025	1,000,000
Series D MMBB High Sch./Sew.	1997	1,100,000	01/01/17	4.53 - 5.38%	177,513	97,487	275,000
Series C MMBB - Water	1998	1,715,000	11/01/18	4.53 - 5.38%	-	514,500	514,500
FRF MMBB - Sewer	1999	1,000,000	04/01/20	3.12%	-	350,000	350,000
SR MMBB - Sewer	2001	2,500,000	10/01/22	1.90%	-	1,250,000	1,250,000
FR MMBB - Sewer	2004	1,000,000	10/01/24	1.44%	-	600,000	600,000
Series D MMBB - City	2004	358,000	11/01/14	3.02 - 3.64%	71,600	-	71,600
Series E MMBB - City	2004	363,000	11/01/24	1.01 - 9.00%	217,800	-	217,800
Series E MMBB - City	2004	1,530,000	11/01/24	0.82 - 9.00%	809,200	-	809,200
Series C MMBB - City	2005	690,000	11/01/25	2.95 - 9.00%	422,250	-	422,250
Series C MMBB - Water	2005	725,000	11/01/25	3.05 - 9.00%	-	471,250	471,250
Series A MMBB - City	2006	1,070,000	11/01/26	2.00 - 5.50%	591,500	-	591,500
SR MMBB - City / Sewer	2006	448,000	04/01/26	1.77%	122,188	169,012	291,200
Series C MMBB - City	2007	1,735,000	11/01/26	2.30 - 6.00%	928,503	-	928,503
Series B MMBB - City	2008	600,000	11/01/27	2.00 - 5.50%	408,750	-	408,750
Series F MMBB	2009	593,395	04/01/29	0.00%	-	474,716	474,716
Series B MMBB	2009	1,442,000	11/01/29	2.08 - 5.58%	1,091,150	-	1,091,150
ARRA MMBB - Sewer	2010	750,877	10/01/29	0.00%	-	281,241	281,241
MMBB - Water	2010	735,000	04/01/30	1.00%	-	624,750	624,750
Public Works	2011	172,773	04/01/19	1.00%	129,580	-	129,580
Series C MMBB - City/Water	2011	2,168,000	11/01/31	2.12 - 5.62%	1,789,625	238,000	2,027,625
Series E MMBB - City/Sewer	2012	3,090,000	11/01/21	0.50 - 5.50%	2,659,500	40,500	2,700,000
GOB MMBB - Sewer	2012	1,775,000	01/25/41	3.00%	-	1,735,737	1,735,737
GOB - City/Water/Sewer	2012	21,610,000	06/30/42	2.00 - 4.00%	7,725,000	13,060,000	20,785,000
GOB USDA - Sewer	2013	485,000	08/28/41	2.75%	-	485,000	485,000
GOB USDA - Sewer	2013	800,000	08/28/41	2.75%	-	800,000	800,000
Series A MMBB - City/Sewer	2013	1,225,000	11/01/33	0.60 - 3.70%	1,000,000	225,000	1,225,000
Totals					\$ 18,250,134	22,311,218	40,561,352

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

LONG-TERM DEBT, CONTINUED

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt is paid by the proprietary enterprise funds. The annual requirements to amortize all debt outstanding as of June 30, 2013 are as follows:

Year ending	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
<u>June 30,</u>						
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,501,735	645,363	1,087,252	770,096	2,588,987	1,415,459
2015	1,592,160	584,189	1,129,277	742,519	2,721,437	1,326,708
2016	1,435,160	532,389	1,141,362	710,333	2,576,522	1,242,722
2017	1,398,660	478,981	1,140,006	679,579	2,538,666	1,158,560
2018	1,311,160	431,996	1,152,213	648,214	2,463,373	1,080,210
2019-2023	5,255,710	1,646,304	4,458,466	2,837,332	9,714,176	4,483,636
2024-2028	2,442,149	988,717	3,825,824	2,188,388	6,267,973	3,177,105
2029-2033	1,901,700	542,103	4,036,680	1,369,480	5,938,380	1,911,583
2034-2038	1,411,700	142,816	3,126,278	539,086	4,537,978	681,902
2039-2042	-	-	1,213,860	103,320	1,213,860	103,320
Totals	\$ 18,250,134	5,992,858	22,311,218	10,588,347	40,561,352	16,581,205

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

CAPITAL LEASES

The City has entered into various agreements as lessee for financing the acquisition of copiers. These lease agreements qualify as capital leases for accounting purposes. The assets are recorded as capital assets in the government-wide financial statements. The amount capitalized under capital leases is \$206,948. The leases have been recorded as a liability in the government-wide financial statements at the present value of the future minimum lease payments.

The following is a schedule of the future minimum lease payments under capital leases, and the present value of net minimum lease payments at June 30, 2013.

<u>Fiscal year ending</u>	<u>Governmental activities</u>
2014	\$ 47,232
2015	47,225
Total minimum lease payments	94,457
Less: amount representing interest	(5,451)
Present value of future minimum lease payments	\$ 89,006

STATUTORY DEBT LIMIT

The laws of the State of Maine limit types of municipal borrowing to specific percentages of the State valuation of the municipality. At June 30, 2013, the City was in compliance with these restrictions.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The City's proportionate share of debt of all local government units which provide services within the City's boundaries, and which must be borne by properties in the City is summarized as follows:

<u>Units</u>	<u>Net debt outstanding June 30, 2013</u>	<u>Percentage applicable to the City</u>	<u>City's proportionate share of debt</u>
Penobscot County	\$ -	7.10%	-
Brewer High School District Trustees	31,299,241	100%	31,299,241

The City's proportionate share of the County debt if any, is paid through annual assessments. The High School District Trustees submit debt service bills, which are paid by the City. Approximately \$26,312,000 of the Brewer High School District Trustees debt is being paid for by the State.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

FUND BALANCE

As of June 30, 2013, fund balance components consisted of the following:

	General Fund	Other Capital Projects	Other Governmental Funds
Nonspendable:			
Inventory	\$ -	-	21,604
Principal for permanent funds	-	-	324,553
Prepaid items	221,621	-	-
Total nonspendable	221,621	-	346,157
Restricted:			
Finance and administration	-	-	540,417
Community services	-	-	115,377
Public safety	-	-	133,933
Public works	-	-	414
Education	42,423	-	154,784
Capital projects	-	1,974,979	172,473
Permanent funds	-	-	11,608
Total restricted	42,423	1,974,979	1,129,006
Committed:			
Finance and administration	-	-	19,650
Community services	-	-	224
Total committed	-	-	19,874
Assigned:			
Reappropriated to 2014 budget	400,000	-	-
Accrued compensated absences	524,814	-	-
Technology - Training, Conferences & Meetings	1,095	-	-
Economic Devel. - Misc Professional Svcs	40,899	-	-
Economic Devel. - Arena Founding Partner	11,412	-	-
Fire - Medical	800	-	-
General Protections - Equip Maint & Repair	2,933	-	-
Transit Operating Expense - The Bus	52,722	-	-
Public Works - Uniforms and Protective Equipment	598	-	-
Storm Sewer Maintenance - Contracted Services	2,933	-	-
Public Works - PAYT Bags	7,746	-	-
Misc Programs - Contingent	200	-	-
Parks and Rec - Auditorium Bldg Maint & Repr	1,000	-	-
Parks and Rec - Summer Prog/League	570	-	-
Total assigned	1,047,722	-	-

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

FUND BALANCE, CONTINUED

	General Fund	Other Capital Projects	Other Governmental Funds
Unassigned	\$ 3,463,467	-	(78,274)
Total fund balance	\$ 4,775,233	\$ 1,974,979	\$ 1,416,763

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)

Description of the Plan - The City contributes to Maine Public Employees Retirement Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the state legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the City is required to contribute an actuarially determined rate. The 2013 rate was 5.3% of annual covered payroll for the Regular Plan and 7.5% for Special Plan 2C. The contribution rates of plan members and the City of Brewer are established and may be amended by the State legislature. The City's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2013, 2012 and 2011 were \$416,826, \$348,778, and \$296,530, respectively, equal to the required contributions for each year. The City's Initial Unpooled Unfunded Actuarial Liability was \$450,086 at June 30, 2012 (most recent date available). This unfunded liability is being amortized over a five year period beginning July 1, 2012.

Teacher Group - All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$1,465,789 (15.86%) for the fiscal year 2013. This amount has been reported as a revenue and expenditure in the GAAP basis financial statements (Statement 2 and Statement 4). There is no contribution required by the School except for federally funded teachers, for which the School contributed 16.33% of their compensation. This cost is charged to the applicable grant.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

RETIREMENT PLANS

The City of Brewer offers all its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the City's financial statements.

The City has an Internal Revenue Code section 401 defined contribution plan, administered by an independent plan administrator. This plan provides retirement benefits to the City Manager as well as other members of the City's management. The plan mandates that enrolled employees, other than the City Manager, contribute at least 6.5% of their wages. The employer contribution rate for 2013 was 29% for the City Manager, 12% for the City Engineer and 9% for all other eligible employees. All eligible employees are vested at enrollment. The total cost to the City for the fiscal year ended June 30, 2013 was \$81,440.

RISK MANAGEMENT

The City is exposed to various risks of loss-related torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance. The City participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association and Maine School Management Association for workers compensation and property and casualty. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2013.

OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) issued its Statement 45, which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the City of Brewer, Maine for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City of Brewer is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in October 2011.

Plan Descriptions – In addition to providing pension benefits, the City offers health care benefits for certain retired employees (see following page).

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Health Insurance – To be eligible to receive the health care benefits, at retirement an employee must be covered under the City's health insurance plan and eligible to retire according to the City's Maine PERS retirement plan specifications. All eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage except certain public safety employees who may be eligible to share their premium costs with the state. Although the City does not pay any part of these retiree premiums, the retirees are receiving an implicit subsidy in that they have access to premiums under the City's group plan that are lower than they would pay if they were rated on their own. It is the cost of this implicit subsidy that, together with the retiree life insurance costs addressed below, makes up the liability discussed in this section.

Life Insurance – To be eligible to receive life insurance benefits, at retirement an employee must have at least one level of life insurance coverage under Maine PERS. The City pays the life insurance premium on behalf of eligible retirees. This is the first year that this liability is being reported.

Funding Policy and Annual OPEB Cost – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the year and the annual required contribution:

Normal cost	\$ 33,850
Amortization of unfunded	46,988
Interest	1,601
Annual required contribution	\$ 82,439

Net OPEB Obligation - The City's net OPEB obligation was calculated as follows:

OPEB liability, June 30, 2011	\$ 171,016
Annual required contribution	82,439
Actual contribution	(22,804)
OPEB liability, June 30, 2012	\$ 230,651
 OPEB liability, June 30, 2012	 \$ 230,651
Annual required contribution	82,439
Actual contribution	(29,487)
OPEB liability, June 30, 2013	\$ 283,603

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Funding Status and Funding Progress – The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2013 were as follows:

Annual required contribution	\$ 82,439
Actual contribution	29,487
Percent contributed	35.77%
Actuarial accrued liability	845,020
Plan assets	-
Unfunded actuarial accrued liability	845,020
Covered payroll	5,373,720
Unfunded actuarial accrued liability as a percentage of covered payroll	15.73%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	01/01/11
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0 - 8.7%

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

The following is a census as of January 1, 2011 on which the actuarial liability was calculated:

	<u>Health Insurance</u>	<u>Life Insurance</u>
Active members	93	63
Retirees*	11	16

* Under health insurance, this figure can include spouses.

SUBSEQUENT EVENT

On April 30, 2013, the City entered into an agreement with the Cross Insurance Center for a Founding Partner sponsorship, which includes signage, advertising during events, parking, meeting room space, and a corporate suite in exchange for \$65,000 payable annually on September 1st of each year. The term of this agreement begins July 1, 2013 and ends June 30, 2020.

CITY OF BREWER, MAINE
Required Supplementary Information

Schedule of Funding Progress
Retiree Healthcare Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b - a) / c]</u>
2010	01/01/09	\$ -	653,002	653,002	0.00%	5,624,738	11.61%
2011	01/11/11	\$ -	845,020	845,020	0.00%	5,377,644	15.71%
2012	01/11/11	\$ -	845,020	845,020	0.00%	5,564,172	15.19%
2013	01/11/11	\$ -	845,020	845,020	0.00%	5,373,720	15.73%

GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

CITY OF BREWER, MAINE
General Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 5,757,076	5,946,736
Investments	729,562	709,240
Interfund loans receivable	-	1,922,681
Prepaid expenditures	221,621	219,791
Receivables:		
Taxes	83,296	120,131
Tax liens	541,979	511,344
Accounts	863,895	420,586
Total assets	\$ 8,197,429	9,850,509
LIABILITIES		
Accounts payable	488,252	363,583
Taxes collected in advance	70,251	55,767
Accrued payroll and related liabilities	1,670,983	1,821,759
Unearned revenue	94,589	-
Bond anticipation note payable	-	1,170,250
Interfund loans payable	575,728	-
Total liabilities	2,899,803	3,411,359
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	522,393	602,050
Total deferred inflows of resources	522,393	602,050
FUND BALANCES		
Nonspendable - prepaid expenditures	221,621	219,791
Restricted for education	42,423	872,152
Assigned	1,047,722	1,102,338
Unassigned	3,463,467	3,642,819
Total fund balance	4,775,233	5,837,100
Total liabilities, deferred inflows of resources and fund balance	\$ 8,197,429	9,850,509

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budgetary Basis)
For the year ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013		Variance positive (negative)	2012 Actual
	Final Budget	Actual		
Revenues:				
Taxes:				
Property	\$ 14,684,149	14,762,188	78,039	13,946,616
Automobile excise	1,350,000	1,505,871	155,871	1,441,723
Boat excise	8,000	7,358	(642)	8,680
Interest on taxes	50,000	61,717	11,717	67,786
Payments in lieu of taxes	10,000	24,197	14,197	16,223
Total taxes	16,102,149	16,361,331	259,182	15,481,028
Licenses, permits and fees:				
Licenses and clerk fees	28,000	31,861	3,861	34,224
Registration fees	23,000	25,151	2,151	24,778
Ambulance fees	335,253	299,074	(36,179)	362,786
All other	4,900	4,364	(536)	5,304
Total licenses, permits and fees	391,153	360,450	(30,703)	427,092
Intergovernmental:				
Road block grant program	120,000	135,485	15,485	134,300
State revenue sharing	898,000	921,654	23,654	965,668
Tree growth reimbursement	200	265	65	325
Veterans reimbursement	8,480	8,790	310	8,576
BETE reimbursement	25,000	38,824	13,824	43,456
Homestead exemption	193,768	191,599	(2,169)	182,282
FEMA reimbursement	-	-	-	80,374
General assistance	77,175	42,355	(34,820)	61,114
Transit bonus program	13,000	17,310	4,310	19,345
Police grant reimbursements	17,202	18,581	1,379	16,837
Worker's compensation reimbursement	-	5,690	5,690	6,318
School Department	9,363,272	9,223,785	(139,487)	9,676,726
Total intergovernmental	10,716,097	10,604,338	(111,759)	11,195,321
Local sources:				
Property leases	7,488	7,489	1	7,489
Parks and recreation	399,290	423,106	23,816	395,130
Sale of City property	593	593	-	17,211
Public safety	30,256	30,305	49	36,835
Code enforcement	35,700	50,527	14,827	39,885
Public works	374,351	332,569	(41,782)	396,522
Cable television	114,000	111,965	(2,035)	114,284
Deferred debt service	2,098	29,035	26,937	2,099
Library	11,630	12,210	580	12,982
TIF revenues	1,108,662	992,718	(115,944)	996,980
School Department revenue	2,700,500	2,957,732	257,232	2,745,718
All other	15,496	51,280	35,784	45,876
Total local sources	4,800,064	4,999,529	199,465	4,811,011
Interest earned	20,000	11,999	(8,001)	23,010
Total revenues	32,029,463	32,337,647	308,184	31,937,462

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budgetary Basis), Continued

	2013		Variance positive (negative)	2012 Actual
	Final Budget	Actual		
Expenditures:				
Current:				
Administration:				
City Council	\$ 12,647	11,690	957	11,424
City Manager	302,997	293,365	9,632	311,850
City Clerk	161,486	166,666	(5,180)	162,083
Elections	19,800	18,084	1,716	16,321
Assessing	190,261	186,360	3,901	168,105
Finance	514,414	503,542	10,872	468,554
Technology	131,193	124,587	6,606	126,797
Legal	85,000	83,026	1,974	121,166
City Hall	95,331	73,361	21,970	125,643
Economic Development	396,604	278,268	118,336	246,783
Total administration	1,909,733	1,738,949	170,784	1,758,726
Protection:				
Police department	1,688,060	1,602,988	85,072	1,542,042
Fire department	1,620,890	1,582,100	38,790	1,528,523
Code enforcement	125,641	123,169	2,472	108,590
General protections	888,568	886,383	2,185	898,926
Insurances	123,560	123,280	280	108,321
Animal control	20,570	18,069	2,501	17,016
Total protection	4,467,289	4,335,989	131,300	4,203,418
Public services:				
Health and human services	192,821	86,839	105,982	176,389
Transit system	136,863	72,774	64,089	100,740
Adult Ed	2,590	2,590	-	2,563
Non-profit organizations	2,800	3,938	(1,138)	17,400
Total public services	335,074	166,141	168,933	297,092
Public works:				
Public works	1,413,861	1,353,263	60,598	1,280,937
Solid waste disposal	561,578	537,556	24,022	550,680
Planning	74,777	74,477	300	73,603
Engineering	153,634	152,357	1,277	143,632
Total public works	2,203,850	2,117,653	86,197	2,048,852
Education	19,989,478	19,180,056	809,422	18,341,028

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budgetary Basis), Continued

	2013		Variance positive (negative)	2012 Actual
	Final Budget	Actual		
Expenditures, continued:				
Current, continued:				
Unclassified:				
Employee benefits	\$ 222,366	237,005	(14,639)	332,456
Tax increment financing reimbursements	1,374,590	1,360,260	14,330	1,321,585
Municipal auditorium	162,023	157,580	4,443	105,836
Parks and cemeteries	246,025	230,104	15,921	236,859
Recreation/pool	499,483	471,552	27,931	481,319
Library	189,477	191,032	(1,555)	183,464
Dues	11,500	11,269	231	11,072
Contingencies	37,440	36,257	1,183	38,844
All other	14,199	10,100	4,099	36,594
Total unclassified	2,757,103	2,705,159	51,944	2,748,029
Debt service:				
Principal	1,477,883	1,501,735	(23,852)	1,351,588
Interest	705,360	624,348	81,012	820,460
Total debt service	2,183,243	2,126,083	57,160	2,172,048
Assessments:				
County tax	847,490	847,490	-	829,563
Abatements and bad debts	249,382	248,843	539	40,898
Total assessments	1,096,872	1,096,333	539	870,461
Total expenditures	34,942,642	33,466,363	1,476,279	32,439,654
Deficiency of revenues under expenditures	(2,913,179)	(1,128,716)	1,784,463	(502,192)
Other financing sources (uses):				
Use of fund balance - City	957,486	-	(957,486)	-
Use of fund balance - School Department	1,769,085	-	(1,769,085)	-
Reserves and carryforwards	58,286	6,000	(52,286)	4,861
Transfers from other funds:				
Impact fee fund	42,486	42,483	(3)	54,404
Capital improvement program	227,721	150,821	(76,900)	207,689
Sewer fund	69,516	69,516	-	71,058
Water fund	98,520	98,520	-	88,572
Transfers to other funds:				
Special revenue funds	-	(2,759)	(2,759)	-
Capital improvement program	(309,921)	(309,921)	-	(22,000)
Total other financing sources	2,913,179	54,660	(2,858,519)	404,584
Net change in fund balance - budgetary basis	-	(1,074,056)	(1,074,056)	(97,608)
Reconciliation to GAAP:				
Issuance of debt		-		10,141,000
Premium from bond issuance		-		593,520
Cost of bond issuance		-		(77,714)
Principal payment on refunded bonds		-		(10,454,862)
Interest payment on refunded bonds		-		(201,944)
Change in accrued teacher summer salaries		12,189		(30,956)
Total reconciling items to GAAP		12,189		(30,956)
Net change in fund balance - GAAP basis		(1,061,867)		(128,564)
Fund balance, beginning of year		5,837,100		5,965,664
Fund balance, end of year	\$	4,775,233		5,837,100

ALL OTHER GOVERNMENTAL FUNDS

CITY OF BREWER, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 210,033	-	94,378	304,411
Investments	-	-	346,458	346,458
Accounts receivable	142,214	-	-	142,214
Due from other governments	16,172	-	-	16,172
Interfund loans receivable	886,807	172,473	-	1,059,280
Inventory	21,604	-	-	21,604
Total assets	\$ 1,276,830	172,473	440,836	1,890,139
LIABILITIES				
Accounts payable	283,794	-	-	283,794
Unearned revenue	5,288	-	-	5,288
Interfund loans payable	54,259	25,360	104,675	184,294
Total liabilities	343,341	25,360	104,675	473,376
FUND BALANCES				
Nonspendable:				
Inventory	21,604	-	-	21,604
Permanent fund	-	-	324,553	324,553
Restricted:				
Special revenue fund	944,925	-	-	944,925
Capital projects fund	-	172,473	-	172,473
Permanent fund	-	-	11,608	11,608
Committed:				
Special revenue fund	19,874	-	-	19,874
Unassigned:				
Special revenue fund	(52,914)	-	-	(52,914)
Capital projects fund	-	(25,360)	-	(25,360)
Total fund balances	933,489	147,113	336,161	1,416,763
Total liabilities and fund balances	\$ 1,276,830	172,473	440,836	1,890,139

CITY OF BREWER, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,442,629	-	-	1,442,629
Lunch program	296,654	-	-	296,654
Interest earned	13	-	3,148	3,161
Other income	336,608	265,596	-	602,204
Total revenues	2,075,904	265,596	3,148	2,344,648
Expenditures:				
Educational programs	828,151	-	-	828,151
Lunch program	585,467	-	-	585,467
Capital outlay	-	227,831	-	227,831
Unclassified	705,757	-	9,400	715,157
Total expenditures	2,119,375	227,831	9,400	2,356,606
Excess (deficiency) of revenues over (under) expenditures	(43,471)	37,765	(6,252)	(11,958)
Other financing sources (uses):				
Transfers in	2,759	-	-	2,759
Transfers out	-	(42,483)	-	(42,483)
Total other financing sources (uses)	2,759	(42,483)	-	(39,724)
Net change in fund balances	(40,712)	(4,718)	(6,252)	(51,682)
Fund balances, beginning of year	974,201	151,831	342,413	1,468,445
Fund balances, end of year	\$ 933,489	147,113	336,161	1,416,763

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2013

		Brewer Centennial	Police Asset Forfeiture	CDBG Housing Rehab Grant	Recreation Banner Fund	Performance Bonds Payable	Technical Review Payable	Fire Equipment Reserve
ASSETS								
Cash and cash equivalents	\$	1,385	-	-	-	-	-	-
Accounts receivable		-	-	-	-	-	-	-
Due from other governments		-	-	-	-	-	-	-
Interfund loans receivable		-	138,239	7,377	19,611	18,402	104,985	1,860
Inventory		-	-	-	-	-	-	-
Total assets	\$	1,385	138,239	7,377	19,611	18,402	104,985	1,860
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses		-	4,306	-	-	18,402	104,985	-
Unearned revenue		-	-	-	-	-	-	-
Interfund loans payable		1,385	-	-	-	-	-	-
Total liabilities		1,385	4,306	-	-	18,402	104,985	-
Fund balances (deficits):								
Nonspendable:								
Inventory		-	-	-	-	-	-	-
Restricted		-	133,933	7,377	19,611	-	-	1,860
Committed		-	-	-	-	-	-	-
Unassigned		-	-	-	-	-	-	-
Total fund balances (deficits)		-	133,933	7,377	19,611	-	-	1,860
Total liabilities and fund balances	\$	1,385	138,239	7,377	19,611	18,402	104,985	1,860

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued
June 30, 2013

	Winterfest	PERC Contract Reserve	Day Rd. Cemetery Grant	MMA Grant Fund	EPA Brownfield Rev Loan	Brewer Days	Children's Garden Fund
ASSETS							
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Interfund loans receivable	2,000	108,000	1,460	-	219,625	8,276	7,822
Inventory	-	-	-	-	-	-	-
Total assets	\$ 2,000	108,000	1,460	-	219,625	8,276	7,822
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	-	-	-	-	59,022	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund loans payable	-	-	-	1,200	-	-	-
Total liabilities	-	-	-	1,200	59,022	-	-
Fund balances (deficits):							
Nonspendable:							
Inventory	-	-	-	-	-	-	-
Restricted	2,000	108,000	1,460	(1,200)	160,603	8,276	7,822
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	2,000	108,000	1,460	(1,200)	160,603	8,276	7,822
Total liabilities and fund balances	\$ 2,000	108,000	1,460	-	219,625	8,276	7,822

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued
June 30, 2013

	City Small Grants & Programs	Chamberlain Golf Classic	Computer Reserve	Stream Cleanup	Flags In Brewer	Recognition Coins	Fire Museum
ASSETS							
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Interfund loans receivable	-	2,959	2,000	421	-	224	1,445
Inventory	-	-	-	-	-	-	-
Total assets	\$ -	2,959	2,000	421	-	224	1,445
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	-	873	-	7	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund loans payable	6,188	-	-	-	1,540	-	-
Total liabilities	6,188	873	-	7	1,540	-	-
Fund balances (deficits):							
Nonspendable:							
Inventory	-	-	-	-	-	-	-
Restricted	4,888	2,086	2,000	414	-	-	1,445
Committed	-	-	-	-	-	224	-
Unassigned	(11,076)	-	-	-	(1,540)	-	-
Total fund balances (deficits)	(6,188)	2,086	2,000	414	(1,540)	224	1,445
Total liabilities and fund balances	\$ -	2,959	2,000	421	-	224	1,445

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued
June 30, 2013

	Brewer Business & Comm'l Park	Insurance Deductible Reserve	Business Resources Program	Brewer Redevelopment LLC	School Department		Total Nonmajor Special Revenue Funds
					Food Service Fund	Grants Fund	
ASSETS							
Cash and cash equivalents	\$ -	-	-	208,398	250	-	210,033
Accounts receivable	-	-	-	58,408	9,576	74,230	142,214
Due from other governments	-	-	-	-	16,172	-	16,172
Interfund loans receivable	121,168	17,650	2,000	-	101,283	-	886,807
Inventory	-	-	-	-	21,604	-	21,604
Total assets	\$ 121,168	17,650	2,000	266,806	148,885	74,230	1,276,830
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	-	-	-	58,408	349	37,442	283,794
Unearned revenue	-	-	-	-	5,288	-	5,288
Interfund loans payable	-	-	-	-	-	43,946	54,259
Total liabilities	-	-	-	58,408	5,637	81,388	343,341
Fund balances (deficits):							
Nonspendable:							
Inventory	-	-	-	-	21,604	-	21,604
Restricted	121,168	-	-	208,398	121,644	33,140	944,925
Committed	-	17,650	2,000	-	-	-	19,874
Unassigned	-	-	-	-	-	(40,298)	(52,914)
Total fund balances (deficits)	121,168	17,650	2,000	208,398	143,248	(7,158)	933,489
Total liabilities and fund balances	\$ 121,168	17,650	2,000	266,806	148,885	74,230	1,276,830

CITY OF BREWER, MAINE
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the year ended June 30, 2013

	Brewer Centennial	Police Asset Forfeiture	CDBG Housing Rehab Grant	Recreation Banner Fund	Performance Bonds Payable	Technical Review Payable	Fire Equipment Reserve
Revenues:							
Intergovernmental	\$ -	66,253	152,137	-	-	-	-
Lunch program	-	-	-	-	-	-	-
Investment income	13	-	-	-	-	-	-
Other income	11,560	5,700	-	5,200	-	-	-
Total revenues	11,573	71,953	152,137	5,200	-	-	-
Expenditures:							
Educational programs	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-
Unclassified	14,017	117,986	154,055	1,734	-	-	-
Total expenditures	14,017	117,986	154,055	1,734	-	-	-
Other financing sources:							
Transfer in	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balances	(2,444)	(46,033)	(1,918)	3,466	-	-	-
Fund balances (deficit), beginning of year	2,444	179,966	9,295	16,145	-	-	1,860
Fund balances (deficit), end of year	\$ -	133,933	7,377	19,611	-	-	1,860

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
For the year ended June 30, 2013

	Winterfest	PERC Contract Reserve	Day Rd. Cemetery Grant	MMA Grant Fund	EPA Brownfield Rev Loan	Brewer Days	Children's Garden Fund
Revenues:							
Intergovernmental	\$ -	-	-	10,939	55,000	-	-
Lunch program	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Other income	2,000	50,000	-	-	-	10,288	-
Total revenues	2,000	50,000	-	10,939	55,000	10,288	-
Expenditures:							
Educational programs	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-
Unclassified	-	-	-	9,845	94,111	4,571	-
Total expenditures	-	-	-	9,845	94,111	4,571	-
Other financing sources:							
Transfer in	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balances	2,000	50,000	-	1,094	(39,111)	5,717	-
Fund balances (deficit), beginning of year	-	58,000	1,460	(2,294)	199,714	2,559	7,822
Fund balances (deficit), end of year	\$ 2,000	108,000	1,460	(1,200)	160,603	8,276	7,822

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
For the year ended June 30, 2013

	City Small Grants & Programs	Chamberlain Golf Classic	Computer Reserve	Stream Cleanup	Flags In Brewer	Recognition Coins	Fire Museum
Revenues:							
Intergovernmental	\$ 5,662	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Other income	8,676	2,201	2,000	1,875	-	-	12,950
Total revenues	14,338	2,201	2,000	1,875	-	-	12,950
Expenditures:							
Educational programs	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-
Unclassified	65,337	874	-	3,136	1,822	-	13,024
Total expenditures	65,337	874	-	3,136	1,822	-	13,024
Other financing sources:							
Transfer in	-	759	-	-	-	-	-
Total other financing sources	-	759	-	-	-	-	-
Net change in fund balances	(50,999)	2,086	2,000	(1,261)	(1,822)	-	(74)
Fund balances (deficit), beginning of year	44,811	-	-	1,675	282	224	1,519
Fund balances (deficit), end of year	\$ (6,188)	2,086	2,000	414	(1,540)	224	1,445

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
For the year ended June 30, 2013

	Brewer Business & Comm'l Park	Insurance Deductible Reserve	Business Resources Program	Brewer Redevelopment LLC	School Department		Total Nonmajor Special Revenue Funds
					Food Service Fund	Grants Fund	
Revenues:							
Intergovernmental	\$ -	-	-	58,408	332,670	761,560	1,442,629
Lunch program	-	-	-	-	296,654	-	296,654
Investment income	-	-	-	-	-	-	13
Other income	-	5,500	-	192,268	-	26,390	336,608
Total revenues	-	5,500	-	250,676	629,324	787,950	2,075,904
Expenditures:							
Educational programs	-	-	-	-	-	828,151	828,151
Lunch program	-	-	-	-	585,467	-	585,467
Unclassified	66,140	6,000	-	153,105	-	-	705,757
Total expenditures	66,140	6,000	-	153,105	585,467	828,151	2,119,375
Other financing sources:							
Transfer in	-	-	2,000	-	-	-	2,759
Total other financing sources	-	-	2,000	-	-	-	2,759
Net change in fund balances	(66,140)	(500)	2,000	97,571	43,857	(40,201)	(40,712)
Fund balances (deficit), beginning of year	187,308	18,150	-	110,827	99,391	33,043	974,201
Fund balances (deficit), end of year	\$ 121,168	17,650	2,000	208,398	143,248	(7,158)	933,489

CITY OF BREWER, MAINE
City Small Grants and Programs
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2013

	Fund balances (deficit) beginning of year	Revenues			Fund balances (deficit) end of year
		Intergovernmental	Other miscellaneous	Expenditures	
Economic Development:					
CDBG EFP Planning Grant	\$ 272	-	-	-	272
Mersinger Building	47,790	2,204	8,676	58,670	-
Police:					
Bulletproof vest program	(675)	-	-	-	(675)
Police Canine Program	3,177	-	-	1,015	2,162
Byrne JAG	7	-	-	-	7
Byrne JAG - Bulletproof vest program	(589)	-	-	-	(589)
Byrne JAG - Body Wire	3,390	-	-	3,390	-
Byrne JAG - 2013	-	2,958	-	1,715	1,243
Safe medicine return box	50	-	-	-	50
King Foundation - high visibility jackets	60	-	-	-	60
Library:					
Summer Reading Program	24	-	-	-	24
Rudman Book Club	350	-	-	350	-
Efficiency Grant	(5,808)	-	-	-	(5,808)
Bodwell English Book Grant	96	-	-	-	96
Other:					
Gates Opportunity Grant	(4)	-	-	-	(4)
Bangor Health & Wellness Grant	445	-	-	-	445
Brewer Kiwanis Grant	221	500	-	197	524
King Foundation - history room	(4,000)	-	-	-	(4,000)
DHHS - SunShade Grant	5	-	-	-	5
Totals	\$ 44,811	5,662	8,676	65,337	(6,188)

CITY OF BREWER, MAINE
School Grants
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2013

	Fund balances beginning of year	Revenues	Expenditures	Fund balances (deficits) end of year
Federal Programs:				
Title 1A - Disadvantaged	54	315,365	347,683	(32,264)
Local Entitlement	-	349,944	357,431	(7,487)
Preschool	-	2,282	2,282	-
Title II - Improving Teacher Quality	-	93,969	94,017	(48)
Total Federal programs	54	761,560	801,413	(39,799)
State and Local Programs:				
Drivers Ed	-	11,015	10,812	203
Arts and Education Grant	1,554	-	-	1,554
Brewer Music PAC	964	-	964	-
Construction Fund	3,222	-	-	3,222
Hannaford	1,313	-	-	1,313
JROTC	442	-	941	(499)
Name-a-Seat Fund	20,841	3,375	3,145	21,071
Stephen King Foundation	4,568	-	2,876	1,692
Wal-Mart BHS	-	1,500	1,500	-
First Robotics Grant	-	6,500	6,500	-
Bangor Drug Free Grant	-	4,000	-	4,000
Wal-Mart WSS	85	-	-	85
Total State and local programs	32,989	26,390	26,738	32,641
Totals	\$ 33,043	787,950	828,151	(7,158)

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

CITY OF BREWER, MAINE
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2013

	FHWA Route 15 Earmark	City Hall Rehab	Impact Fee Fund	Total Nonmajor Capital Project Funds
ASSETS				
Interfund loans receivable	\$ -	-	172,473	172,473
Total assets	\$ -	-	172,473	172,473
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	3,692	21,668	-	25,360
Total liabilities	3,692	21,668	-	25,360
Fund balances (deficits):				
Restricted	-	-	172,473	172,473
Unassigned	(3,692)	(21,668)	-	(25,360)
Total fund balances (deficits)	(3,692)	(21,668)	172,473	147,113
Total liabilities and fund balances	\$ -	-	172,473	172,473

CITY OF BREWER, MAINE
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2013

		FHWA Route 15 Earmark	City Hall Rehab	Impact Fee Fund	Total Nonmajor Capital Project Funds
Revenues:					
Other income	\$	-	265,596	-	265,596
Total revenues		-	265,596	-	265,596
Expenditures:					
Capital outlay		-	223,280	4,551	227,831
Total expenditures		-	223,280	4,551	227,831
Other financing uses:					
Transfer to general fund		-	-	(42,483)	(42,483)
Total other financing uses		-	-	(42,483)	(42,483)
Net change in fund balances		-	42,316	(47,034)	(4,718)
Fund balances (deficits), beginning of year		(3,692)	(63,984)	219,507	151,831
Fund balances (deficits), end of year	\$	(3,692)	(21,668)	172,473	147,113

CITY OF BREWER, MAINE
Capital Improvements Program
Schedule of Changes in Fund Balances
For the year ended June 30, 2013

	Fund balances (deficit) beginning of year	Revenue	Transfers/ reencumbered	Expenditures	Transfers from (to) unallocated	Fund balances (deficit) end of year
Capital Improvements Programs:						
City Hall/Other:						
Finance computer software	\$ 2,769	-	(2,769)	-	-	-
School bldg remed & demolition	-	234,000	-	-	-	234,000
Bond financing costs	(6,811)	-	12,000	(11,124)	-	(5,935)
City hall infrastructure	42,631	-	8,921	(15,719)	-	35,833
Voting machines	9,155	-	(9,155)	-	-	-
Tech computer hardware	-	-	20,000	(20,846)	846	-
Energy efficient equipment & improvements	6,892	-	-	(7,397)	505	-
City-wide revaluation	-	-	301,000	(5,352)	-	295,648
Total City Hall/other	54,636	234,000	329,997	(60,438)	1,351	559,546
Waterfront Development:						
Property acquisitions	140,000	-	-	(15,390)	-	124,610
Youth waterfront projects	5,000	-	-	-	-	5,000
Waterfront Trail	213,352	-	-	-	-	213,352
Landscaping/public improvements	2,730	-	-	-	-	2,730
Shore stabilization	137,496	-	(18,158)	-	-	119,338
Total waterfront development	498,578	-	(18,158)	(15,390)	-	465,030
Public Safety:						
Police vehicles	-	-	27,000	(26,895)	-	105
Public safety building remodel & demolition	2,389	-	(3,239)	-	850	-
Police forensic system	-	-	10,000	-	-	10,000
Public safety computer server	-	-	20,000	(14,694)	-	5,306
Police computer replacement	1,797	-	-	-	-	1,797
Code enforcement software	5,500	-	-	-	-	5,500
Total public safety	9,686	-	53,761	(41,589)	850	22,708
Public Works:						
Paving	15,839	170,000	-	(154,883)	-	30,956
Landfill area closing	128,819	-	-	-	-	128,819
Landfill sloping	9,726	-	-	-	-	9,726
Landfill remediation	2,719	-	-	-	-	2,719
General road construction	3,300	31,700	-	(22,889)	-	12,111
Wilson Street widening	122,682	-	-	(112,212)	-	10,470
Eastern Ave. reconstruction	97,000	-	-	-	-	97,000
Jefferson Street sewer repairs	38,842	-	(38,842)	-	-	-
Parkway South Culvert Replacement-City share	2,991	-	(2,991)	-	-	-
Pierce Rd Paving-City Share	16,580	-	(16,580)	-	-	-
State St Paving-City Share	9,301	-	(9,301)	-	-	-
Dirigo Dr. Paving	-	150,000	-	(115,373)	-	34,627
Elm St. Overlay	-	110,000	-	(85,623)	-	24,377
Signal Improvement Projs	-	55,000	-	-	-	55,000
S Main Paving	-	23,000	-	-	-	23,000
Signal Replacement Pkwy So/Wills-City Share	25,000	-	-	(22,341)	-	2,659
GMC Club Cab P/U	1,273	-	(1,273)	-	-	-
Trackless MT5 Sidewalk Plow	9,660	-	(9,660)	-	-	-
JCB 426ZX loader	9,312	-	(9,312)	-	-	-
Sterling LT7501 Wheeler	-	135,000	-	(127,989)	-	7,011
Trackless Sidewalk Plow	-	91,300	8,700	(100,000)	-	-
Catch Basin Cleaner Bucket	-	-	6,000	(5,840)	(160)	-
GPS hardware	10,000	-	-	(9,245)	-	755
Total public works	503,044	766,000	(73,259)	(756,395)	(160)	439,230

CITY OF BREWER, MAINE
Capital Improvements Program
Schedule of Changes in Fund Balances, Continued
For the year ended June 30, 2013

	Fund balances (deficit) beginning of year	Revenue	Transfers/ reencumbered	Expenditures	Transfers from (to) unallocated	Fund balances (deficit) end of year
Parks and Recreation:						
Oak Hill erosion control	\$ 8,500	-	-	-	-	8,500
Eastern playground	21,516	-	-	-	-	21,516
Pendleton Rink	14,674	-	-	-	-	14,674
Auditorium parking lot	5,517	-	-	-	-	5,517
Auditorium doors, windows, entrance	9,797	-	-	(2,914)	-	6,883
John Deere tractor/loader	1,101	-	-	-	-	1,101
Field maintenance machine	-	-	9,000	(8,020)	-	980
Total parks and recreation	61,105	-	9,000	(10,934)	-	59,171
Subtotal projects	1,127,049	1,000,000	301,341	(884,746)	2,041	1,545,685
CIP - Unallocated	24,770	311,603	(301,341)	(12,800)	(2,041)	20,191
Tax Increment Financing Projects	250,211	1,431,537	-	(1,272,645)	-	409,103
Subtotal non-impact fee CIP	1,402,030	2,743,140	-	(2,170,191)	-	1,974,979
Impact Fee Projects:						
Parallel Road	661	-	-	(13,796)	-	(13,135)
Signal Coordination	85,961	-	-	-	-	85,961
Signal Preemption	9,501	-	-	9,245	(8,738)	10,008
Pierce Road relocation and signal	71,275	-	-	-	(33,745)	37,530
Wilson/Parkway South intersection	9,638	-	-	-	-	9,638
State and Washington intersection	7,448	-	-	-	-	7,448
City transit bus	13,994	-	-	-	-	13,994
Set up and administrative costs	21,269	-	-	-	-	21,269
Sewer	(240)	-	-	-	-	(240)
Total impact fee projects	219,507	-	-	(4,551)	(42,483)	172,473
Totals	\$ 1,621,537	2,743,140	-	(2,174,742)	(42,483)	2,147,452

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

CITY OF BREWER, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2013

		Cemetery Trust	Elsie Olmstead Library	Ministerial and School Funds	Jefferds Educational Fund	Wallace Witham Fund	Woodlawn Revolving Cemetery Fund	Total Nonmajor Permanent Funds
ASSETS								
Cash and cash equivalents	\$	75,557	5,746	1,075	4,928	332	6,740	94,378
Investments		346,458	-	-	-	-	-	346,458
Total assets	\$	422,015	5,746	1,075	4,928	332	6,740	440,836
LIABILITIES AND FUND BALANCES								
Liabilities:								
Interfund loans payable		104,675	-	-	-	-	-	104,675
Total liabilities		104,675	-	-	-	-	-	104,675
Fund balances:								
Nonspendable:								
Principal		311,881	4,538	939	4,533	275	2,387	324,553
Restricted:								
Unexpended income		5,459	1,208	136	395	57	4,353	11,608
Total fund balances		317,340	5,746	1,075	4,928	332	6,740	336,161
Total liabilities and fund balances	\$	422,015	5,746	1,075	4,928	332	6,740	440,836

CITY OF BREWER, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2013

	Cemetery Trust	Elsie Olmstead Library	Ministerial and School Funds	Jefferds Educational Fund	Wallace Witham Fund	Woodlawn Revolving Cemetery Fund	Total Nonmajor Permanent Funds
Revenues:							
Investment income	\$ 3,065	16	4	14	2	47	3,148
Total revenues	3,065	16	4	14	2	47	3,148
Expenditures:							
Cemetery care	8,798	-	-	-	-	223	9,021
Other	-	174	39	155	11	-	379
Total expenditures	8,798	174	39	155	11	223	9,400
Net change in fund balances	(5,733)	(158)	(35)	(141)	(9)	(176)	(6,252)
Fund balances, beginning of year	323,073	5,904	1,110	5,069	341	6,916	342,413
Fund balances, end of year	\$ 317,340	5,746	1,075	4,928	332	6,740	336,161

AGENCY FUNDS

CITY OF BREWER, MAINE
Agency Funds
Statement of Additions, Deductions and Changes in Balances
For the year ended June 30, 2013

		Balances beginning of year	Additions	Deductions	Balances end of year
Activity funds:					
Brewer High School Student Activities	\$	131,337	319,838	(295,397)	155,778
Brewer Community School Student Activities		29,789	48,617	(46,098)	32,308
Children's fund		55,820	18,062	(22,162)	51,720
Superintendent's Office		631	5,075	(3,206)	2,500
Total	\$	217,577	391,592	(366,863)	242,306

SCHEDULE

CITY OF BREWER
Brewer School Department - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013		Variance positive (negative)	2012 Actual
	Budget	Actual		
Revenues:				
State education subsidy	\$ 9,263,272	9,182,103	(81,169)	9,565,912
State agency clients	100,000	36,535	(63,465)	107,702
Medicaid reimbursement	-	5,147	5,147	3,112
District assessments	2,606,000	2,880,144	274,144	2,630,211
Local sources	94,500	77,588	(16,912)	115,507
Total revenues	12,063,772	12,181,517	117,745	12,422,444
Expenditures:				
Regular instruction	7,996,034	7,799,129	196,905	7,512,944
Special education instruction	2,652,977	2,492,699	160,278	2,416,516
Career and technical education	143,010	142,526	484	127,015
Other instruction	878,884	759,522	119,362	692,413
Student and staff support	1,291,981	1,208,399	83,582	1,165,865
System administration	573,632	548,390	25,242	493,286
School administration	910,570	856,656	53,914	880,527
Transportation and buses	457,971	448,228	9,743	429,867
Facilities maintenance	1,736,677	1,591,306	145,371	1,363,098
Debt service and other commitments	3,341,777	3,327,240	14,537	3,253,638
All other expenditures	5,965	5,961	4	5,859
Total expenditures	19,989,478	19,180,056	809,422	18,341,028
Deficiency of revenues under expenditures	(7,925,706)	(6,998,539)	927,167	(5,918,584)
Other financing sources:				
City appropriation	6,156,621	6,156,621	-	5,662,719
Budgeted use of fund balance	1,769,085	-	(1,769,085)	-
Total other financing sources	7,925,706	6,156,621	(1,769,085)	5,662,719
Net change in fund balances - budgetary basis	-	(841,918)	(841,918)	(255,865)
Reconciliation to GAAP:				
Change in accrued summer salaries		12,189		(30,956)
Net change in fund balances - GAAP basis		(829,729)		(286,821)
Fund balance, beginning of year		872,152		1,158,973
Fund balance, end of year	\$	42,423		872,152

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